

Clearing House

Terms for Merger of Two Phone Companies Revised

By JOHN J. CLEARY
General Business Editor

Terms for merger of Northern Ohio Telephone Co. into General Telephone & Electronics Corp. were revised slightly yesterday as directors of the two companies approved a formal plan of reorganization.



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The agreement provides for merger of Northern Ohio with a new wholly owned Ohio subsidiary of General Telephone.

Major change in the plan requires Northern Ohio to call all of its 77,300 outstanding preferred shares for redemption prior to the effective date of the merger.

WHEN MERGER discussions were first announced on Aug. 15, it was planned that General Telephone would exchange two shares of a \$50 par voting preferred stock for each Northern Ohio \$100 par preferred share.

Unchanged is the proposal for exchanging one share of General Telephone common for each share of Northern Ohio common.

General Telephone closed on the New York Stock Ex-

change yesterday at \$46.625, up 37½ cents for the day. That was \$3.375 higher than the bid price of \$43.50 for Northern Ohio in the over-the-counter market.

AT CURRENT market values, holders of the 2,834,000 outstanding common shares of Northern Ohio would receive about \$132 million in General Telephone common.

Stockholders of Northern Ohio Telephone will vote on the merger Nov. 30. Some aspects of the plan will also require approval of the Ohio Public Utilities Commission and the Federal Communications Commission.

THE TWO companies said they expected the merger would be effective in December this year or January next year.

Northern Ohio Telephone, with headquarters in Bellevue, O., serves more than 162,000 telephones in 68 communities in all or part of 24 counties in north central Ohio. The company's revenues in 1966 were more than \$18 million.

THE MERGER would bring to about 8.7 million the total domestic and international telephones served by the telephone operating subsidiaries of General Telephone.

The 30 domestic telephone operating subsidiaries, currently serving more than 7.5 million telephones in portions of 34 states, constitute the nation's largest independent (non-Bell) telephone system.

In addition, International telephone operating subsidia-

ries serve approximately 1 million telephones, principally in the provinces of British Columbia and Quebec.

GT&E Unit Absorbs Northern Ohio Phone

NEW YORK (AP) — Directors of General Telephone & Electronics Corp. and Northern Ohio Telephone Co. yesterday said they have agreed to merge Northern Ohio with a GT&E subsidiary.

The merger involves issuance of one share of GT&E common stock for each share of Northern's common and two shares of GT&E \$50 preferred voting stock for each share of \$100 Northern preferred.

Based on GT&E closing stock market price Monday,

the common shares to be issued would be worth about \$137 million; the preferred, about \$7.7 million.

Northern Ohio, based in Bellevue, operates more than 161,000 telephones in 68 communities in 24 north central Ohio counties. It had 1966 revenues of more than \$18 million.

The merger would bring to about 8.6 million the number of phones served by subsidiaries of GT&E.

General Telephone Co. of Ohio, in Marion, serves some 330,000 subscribers.

